

Housing Authority - County of Los Angeles

May 9, 2005

To: Each Supervisor

From: Carlos Jackson, Executive Director

SUBJECT: SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP)

This is to apprise your Board of an ongoing dispute the Housing Authority has with the U.S. Department of Housing and Urban Development (HUD) on their rating of our Section 8 Program. We have filed an appeal of the rating with HUD's Assistant Secretary for Public and Indian Housing. Our appeal adamantly disagrees with their findings and methodology, which resulted in our Section 8 Program being identified as "Troubled". However, this designation is not final until we exhaust our appeal.

In assessing local housing authorities' ability to manage Section 8 programs, HUD utilizes the SEMAP, which scores the agencies on 14 indicators (attached) and the maximum scoring is 140 points. Our program originally received 75 points and, as a result of our appeal to HUD's local office, the score was revised to 80 points. This score failed to meet the threshold of 85 points to avoid the designation of "Troubled". Our rating for the preceding years (2002 - 100 pts. out of 130; & 2003 - 80 pts. out of 130) was "Standard". Furthermore, our lease-up rates for each of the past two years was 99%.

We are challenging HUD's assessment for the additional points necessary to be rated a "Standard" performer. The areas of our appeal are:

1. HUD improperly adjusted HACoLA's SEMAP score following the most recent Rental Integrity Monitoring (RIM) Review before a final RIM report was issued as required by federal regulations. This violation of the federal regulations has resulted in a negative rating for HACoLA. As for this Program, this has been our first experience with a negative rating.
2. Challenged HUD on its definition of the methodology to be used for random sample selection regarding quality review inspections of Section 8 units that were approved for leasing.
3. Disagreement of their understanding on how we determine and document the Section 8 units targeted for re-inspection.

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There is no sanction at this time that would impact future funding. When the HUD written report is received, HACoLA must prepare a corrective action plan (CAP), and submit it to HUD for approval. There must be provisory for regular evaluation and monitoring. Finally, HUD must conduct an on-site review before changing any annual performance rating from troubled to standard or high performer.

Our appeal was filed May 3, 2005 and the Assistant Secretary of HUD has 30 days to render a decision. I will inform your office of the outcome of our appeal.

CJ:RLC:dt
Attachment

c: Each Deputy

SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP) SUMMARY

The purpose of SEMAP is to measure Public Housing Agency (PHA) management performance in 14 key areas of the Housing Choice Voucher Program. The 14 SEMAP indicators are:

- **Indicator 1: Selection from the Waiting List**
- **Indicator 2: Rent Reasonableness**
- **Indicator 3: Determination of Adjusted Income**
- **Indicator 4: Utility Allowance Schedule**
- **Indicator 5: HQS Quality Control Inspections**
- **Indicator 6: HQS Enforcement**
- **Indicator 7: Expanding Housing Opportunities**
- **Bonus: Deconcentration**
- **Indicator 8: Payment Standards**
- **Indicator 9: Annual Reexaminations**
- **Indicator 10: Correct Tenant Rent Calculations**
- **Indicator 11: Pre-Contract HQS Inspections**
- **Indicator 12: Annual HQS Inspections**
- **Indicator 13: Lease Up**
- **Indicator 14: Family Self-Sufficiency (FSS) Enrollment and Escrow Accounts**

A brief description of each indicator is provided:

Indicator No. 1: Selection from the Waiting List (15 points)

This indicator assesses whether the Public Housing Agency (PHA) has written policies in its Administrative Plan for selecting applicants from the waiting list.

Indicator No. 2: Rent Reasonableness (20 points)

This indicator assesses whether the PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable.

Indicator No. 3: Determination of Adjusted Income (20 points)

This indicator assesses whether the PHA verifies and correctly determines adjusted annual income for each assisted family.

Indicator No. 4: Utility Allowance Schedule (5 points)

This indicator assesses whether the PHA maintains an up-to-date utility allowance schedule.

Indicator No. 5: HQS Quality Control Inspections (5 points)

This indicator assesses whether a PHA supervisor or other qualified person reinspects a sample of units under contract during the PHA fiscal year.

Indicator No. 6: HQS Enforcement (10 points)

This indicator assess whether, following each HQS inspection of a unit under contract where the unit fails to meet HQS, any cited life-threatening HQS deficiencies are corrected within 24 hours from the inspection and all other cited HQS deficiencies are corrected within no more than 30 calendar days from the inspection.

Indicator No. 7: Expanding Housing Opportunities (5 points)

This indicator assesses whether the PHA has adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty or minority concentration.

Bonus Indicator: Deconcentration (5 points)

This indicator assesses the percent of tenant-based Section 8 families with children who live in, and who have moved during the PHA fiscal year to, low-poverty census tracts in the PHA's principal operating area.

Indicator No. 8: Payment Standards (5 points)

This indicator assesses whether the PHA has adopted a payment standard schedule that establishes voucher payment standard amounts by unit size for each FMR area in the PHA jurisdiction.

Indicator No. 9: Annual Reexaminations (10 points)

This indicator assesses whether the PHA completes a reexamination for each participating family at least every 12 months.

Indicator No. 10: Correct Tenant Rent Calculations (5 points)

This indicator assesses whether the PHA correctly calculates tenant rent in the rental certificate program, and the family's share of the rent to owner in the rental voucher program.

Indicator No. 11: Pre-Contract HQS Inspections (5 points)

This indicator assesses whether newly leased units pass HQS inspection on or before the beginning date of the assisted lease and HAP contract.

Indicator No. 12: Annual HQS Inspections (10 points)

This indicator assesses whether the PHA inspects each unit under contract at least annually.

Indicator No. 13: Lease-Up (20 points)

This indicator measures the number of units leased during the last fiscal year as a percentage of the number of units HUD has reserved for the PHA (under ACC). HUD may also use the percentage of budget authority the PHA has expended if the PHA has a low lease rate due to higher per unit costs.

Indicator No. 14: FSS Enrollment and Escrow Accounts (10 points)

This indicator assesses whether the PHA enrolled families in the FSS program as required.

SEMAP Score and Overall Performance Rating

The PHA is assigned a score for each indicator based upon the performance and analysis of the PHA. The PHA's overall performance rating is based upon the following categories:

- High Performer Rating: PHA's with SEMAP scores of at least 90 percent.
- Standard Performer Rating: PHA's with SEMAP scores of 60 to 89 percent.
- Troubled Performer Rating: PHA's with SEMAP scores of less than 60 percent.